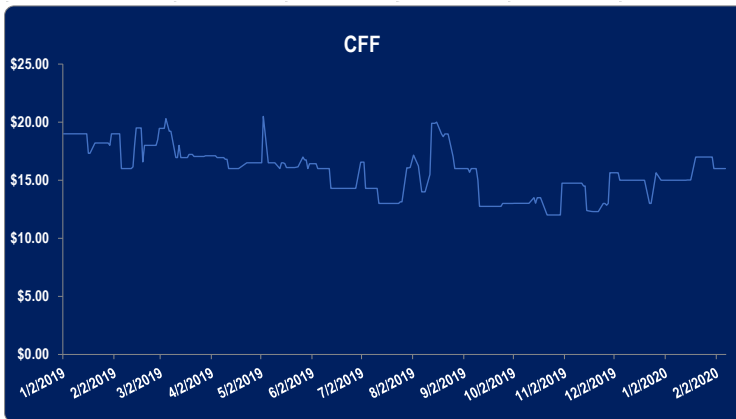


## LOCAL STOCK MARKET: (JS)<sup>+</sup>

| Stock Symbol                    | FOSRICH | WIG        | SEP   | CFF   | INDIES |
|---------------------------------|---------|------------|-------|-------|--------|
| Current Price (\$)              | 4.01    | 0.84       | 45.80 | 16.00 | 2.90   |
| Trailing EPS (\$)               | 0.18    | 0.07       | 1.30  | 0.57  | 0.10   |
| P/E (times)                     | 21.72   | 11.55      | 35.33 | 28.18 | 28.56  |
| Projected P/E                   | 20.03   | 9.34       | 14.03 | 20.69 | 25.39  |
| Projected EPS (\$) <sup>*</sup> | 0.20    | 0.09       | 3.27  | 0.77  | 0.11   |
| Book Value per share (\$)       | 1.53    | 0.31       | 20.66 | 5.06  | 0.53   |
| Price/Book Value (times)        | 2.63    | 2.69       | 2.22  | 3.16  | 5.50   |
| Dividend Yield (2019 %)         | N/A     | N/A        | 1.67% | 1.32% | N/A    |
| Volumes                         | 47,450  | 11,957,896 | 6,485 | NIL   | 46,501 |
| Recommendation                  | HOLD    | BUY        | BUY   | HOLD  | SELL   |



## STOCK OF THE DAY: CARIBBEAN FLAVOURS & FRAGRANCES LIMITED (CFF)

### For the nine months ended September 30, 2019:-

Caribbean Flavours and Fragrances, for the nine months ended September 30, 2019, reported revenues of \$358.44 million (2018: \$329.57 million). For the quarter, revenue amounted to \$132.11 million, an increase of 10%, when compared with the \$120.14 million booked last year. CFF noted, "this was driven by seasonal demands from our customers but we expect to see improvements in sales in the upcoming final quarter of this financial year." The Company also noted, "sales continue to be trending in the right direction despite lower than anticipated sales of some new products. Our sugar reduction solution has not achieved full acceptance as anticipated, partly due to a lack of enforcement."

Cost of sales amounted to \$233.70 million (2018: \$200.50 million), this resulted in gross profit decreasing by 3%, to \$124.74 million in 2019, relative to \$129.07 million booked last year. Gross profit for the quarter closed at \$40.24 million (2018: \$44.59 million). According to management, "fluctuations in the foreign exchange rates as well as increased logistics costs during this quarter to expedite customers' urgent requests negatively impacted our gross profit."

Administrative expenses increased by 21% to close the period under review at \$76.21 million (2018: \$63.11 million); whereas, selling and distribution costs totalled \$1.31 million (2018: \$3.74 million). While for the quarter, administrative expenses increased 15% to \$27.17 million (2018: \$23.58 million), while selling and distribution costs decreased to \$618,000 for 2019 (2018: \$758,000). Also, Finance income closed the period at \$7.97 million relative to \$7.80 million the in 2018.

Profit before taxation totalled \$55.19 million compared to \$70.02 million in the prior year. For the quarter, profit before taxation amounted to \$14.95 million (2018: \$25.28 million), a decrease of 41%. Taxation of \$7.54 million was booked for the period under review (2018: nil), resulting in net profit of \$47.66 million versus net profit of \$70.02 million in 2018. However, for the quarter, net profit closed at \$12.44 million (2018: \$25.28 million).

## FOREIGN EXCHANGE MARKET TRADING SUMMARY \*

| Currency | PURCHASE RATE |         |                       | SALES RATE |         |                       |
|----------|---------------|---------|-----------------------|------------|---------|-----------------------|
|          | Highest       | Lowest  | Weighted Average Rate | Highest    | Lowest  | Weighted Average Rate |
| USD      | 143.500       | 109.020 | 139.6003              | 149.364    | 113.152 | 142.0356              |
| CAN      | 108.000       | 85.722  | 104.9157              | 110.484    | 98.250  | 104.2641              |
| GBP      | 185.200       | 146.661 | 181.2040              | 190.836    | 170.450 | 182.4798              |
| EURO     | 152.800       | 119.680 | 147.8889              | 161.568    | 149.300 | 158.2412              |

\*Rates as at February 6, 2020

## MONEY MARKET

The Jamaican dollar fixed income market was liquid in today's (February 7, 2020) trading session. The over night rate stood at 0.50% to 0.75% while the 30-day rate was 1.60% to 1.80%.

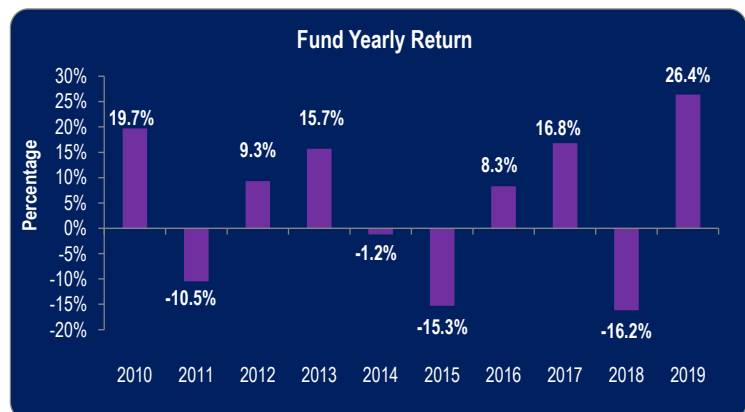
The US dollar fixed income market was also liquid during today's (February 7, 2020) trading session; The overnight market rates were quoted at 2.00% while the 30-day market rates stood at 2.30% to 2.40%.

## OVER THE COUNTER FUNDS (CI FUNDS)

### Synergy Canadian Corporate Class

This fund invests primarily in equity and equity-related securities of Canadian companies. It is currently expected that investments in foreign securities will generally be no more than 49% of the fund's assets.

The fund has a 3 year return of 7.4% and a 5 year return of 2.6%. The Fund also has a 10 year return of 4.3%. Rates are as at December 31, 2019.



“America’s jobs engine roared in January and wage gains rebounded, offering fresh momentum for the economy and a tailwind for President Donald Trump at the start of the election year. Payrolls increased by 225,000 after an upwardly revised 147,000 gain in December, according to Labor Department data Friday that topped economists’ estimates. The jobless rate edged up to 3.6%, still near a half-century low and reflecting more Americans entering the workforce, while average hourly earnings climbed 3.1% from a year earlier.”

<https://www.bloomberg.com/news/articles/2020-02-07/jobs-engine-fuels-economic-momentum-for-trump-ahead-of-election?srnd=economics-vp>

“The London economy grew more than twice as quickly as its nearest rival in the second quarter, underscoring the challenge facing Prime Minister Boris Johnson as he seeks to “level up” poorer regions of the U.K. Financial services helped the capital city’s gross domestic product rise 4.5% from a year earlier, the Office for National Statistics said Friday.”

<https://www.bloomberg.com/news/articles/2020-02-07/booming-london-defies-weak-second-quarter-for-britain-s-economy?srnd=premium>

PLATINUM PORTFOLIO

STRUCTURED PRODUCT

Platinum Portfolio Yield Measures as at February 3, 2020

|                         | Percentage (%) |
|-------------------------|----------------|
| Yield to Maturity       | 4.90           |
| Weighted Average Coupon | 5.403          |
| Current Yield           | 3.99           |

The platinum portfolio has an effective maturity of 13.15 years and duration of 4.64 years.

Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry’s top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

DISCLAIMER

**Analyst Certification** -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

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MIL Ratings System:

**BUY:** We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

**HOLD:** We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

**SELL:** We believe the stock is overpriced relative to the soundness of the company’s fundamentals and long-term prospects.

**SPECULATIVE BUY:** We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com



www.mayberryinv.com

OVER 30 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

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